

HB 4042 A STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

Action Date: 02/13/18

Action: Do pass with amendments
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Alonso Leon, Bynum, Clem, Heard, Noble, Reardon, Reschke, Sollman, Whisnant

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Establishes the Prosperity 1,000 Pilot Program (Pilot Program) to provide career coaching, occupational training, and job placement services for 1,000 low-income job seekers who reside in areas of concentrated poverty within Multnomah and Washington Counties. Specifies Pilot Program goals, responsibilities of the local Workforce Development Board (LWDB) serving Multnomah and Washington Counties, responsibilities of the Department of Human Services (DHS), and joint responsibilities of the LWDB and DHS. Establishes a joint steering committee of the LWDB and DHS to oversee the progress of the Pilot Program and ensure goals are met. Requires the LWDB submit an annual report to the interim committees of the Legislative Assembly related to workforce development by December 31 each year. Appropriates \$5,000,000 from the General Fund to the Higher Education Coordinating Commission in consultation with the State Workforce and Talent Development Board for the biennium ending June 30, 2019, for distribution to the LWDB for Pilot Program implementation. Sunsets the Pilot Program on January 2, 2021. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Comparison of job growth in the Portland metropolitan area, east Multnomah County, downtown Hillsboro, and other communities of concentrated poverty
- Leverage of federal Supplemental Nutrition Assistance Program SNAP 50/50 funds
- Shortage of skilled workers
- Pilot Program offers a model for future implementation across the state in areas of concentrated poverty

EFFECT OF AMENDMENT:

Clarifies the Prosperity 1,000 Pilot Program (Pilot Program) would provide services for 1,000 low-income job seekers who reside in areas of concentrated poverty within Multnomah and Washington Counties. Adds educational institutions to the entities the local workforce development board will coordinate with, and distribute funds to, to provide occupational services. Changes responsibility for the coordination of necessary support services, including childcare, from the Department of Human Services to the joint steering committee. Changes the appropriation recipient from the State Workforce and Talent Development Board (Board) to the Higher Education Coordinating Commission in consultation with the Board.

BACKGROUND:

Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) is a federal program administered by the U.S. Department of Agriculture that supports employment and training activities for individuals and families who are receiving SNAP food benefits. SNAP E&T provides the flexibility to combine education, training, and support services for low-income and low-skilled people. Program funds are typically used to train participants for skilled jobs that are in demand in their local labor markets.

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In addition to receiving formula-based SNAP E&T program grants, states may request additional reimbursement grants such as SNAP 50/50 for innovative direct program expenses and wrap-around support services. State, local, or philanthropic sources must fund fifty percent of the total cost in order to be eligible for fifty percent federal reimbursement. Oregon currently has approximately 22 SNAP 50/50 grants. A recent example – the Oregon Community College SNAP 50/50 Consortia – was initiated in collaboration with the Oregon Department of Human Services (DHS) in 2016. The consortia comprises six community colleges working to expand SNAP participants' access to community college career pathway programs that offer credit-bearing stackable credentials for in-demand occupations. Existing college resources are used to leverage the SNAP 50/50 federal match. The consortia hopes to eventually expand to include all 17 community colleges as SNAP E&T providers.

House Bill 4042 A would establish the Prosperity 1,000 pilot program (Pilot Program) to expand skills-based SNAP E&T through the SNAP 50/50 program, with a focus on supporting communities with high concentrations of poverty with skill-building for local employment opportunities. The Pilot Program would provide education, training, and support services for 1,000 low-income job applicants who reside in areas of concentrated poverty within Washington and Multnomah counties. The Pilot Program would invest \$5 million state General Fund in Oregon's public workforce development system over two years. In year one, \$2.5 million General Fund dollars would be spent, generating a SNAP 50/50 federal match of \$1.25 million. In year two, \$2.5 million General Fund and the \$1.25 million of federal year one match would be invested, totaling \$3.75 million. SNAP 50/50 would again match fifty percent, resulting in \$1.875 in federal funds. In year three, the \$1.875 million of federal funding would be invested.